

## Regulatory Story

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**Empyrean Energy PLC** - EME Natural Gas Sales Commence At Dempsey  
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**Empyrean Energy PLC ("Empyrean" or the "Company")  
NATURAL GAS SALES COMMENCE AT DEMPSEY**

- Selling natural gas from Dempsey well at flow rate of ~1,300 mcf per day
- Pipeline quality gas from all Dempsey production zones

Empyrean Energy (EME: AIM), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to announce that it has been informed by Sacgasco Limited (ASX: SGC) ("Sacgasco"), the operator of the Dempsey 1-15 well in the Sacramento Basin, onshore California, that the Dempsey 1-15 well is flowing natural gas to sales pipelines at a combined rate of 1,300 mcf per day. Dempsey 1-15 is producing gas from Ranch Capay Field Level Kione Sandstone and the combined older Zones 2, 3 and 4.

Gas from all four producing zones has been assessed to be of pipeline quality.

Sacgasco has set the Dempsey well up for production to enable reservoir assessment as the basis for further development activities from the various production levels. This information will be integrated with geology and seismic to evaluate more production options, including reservoir production enhancement through fracture stimulation, and alternative deviated well configurations.

Sacgasco is also advancing with the connection of a number of other idle wells into the sales gas system in the Dempsey area that are hoped to add to production and cash flow.

**Empyrean CEO Tom Kelly commented,** "We are pleased that quality natural gas is now being sold from Dempsey, bringing cash flow for the JV partners in the Dempsey Gas Project. The expectation is that the connection of other wells in the area will add to this production and cash flow. This is a really positive development for the Dempsey JV partners and we can now look forward to using the production data to help with development opportunities for our discovered gas zones. We also look forward to providing an update on the Alvares appraisal as planning progresses."

**\*\*ENDS\*\***

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The information contained in this announcement was completed and reviewed by the Company's Executive Director, Mr Gajendra (Gaz) Bisht, who has over 28 years' experience as a petroleum geoscientist.

**Notes to Editors**

**About Empyrean Energy Plc (LON: EME):**

Empyrean is a London AIM listed oil and gas explorer with three potentially high impact new projects. Empyrean has a 1800km<sup>2</sup> offshore oil permit located in the Pearl River Mouth Basin, China where it has completed 3D seismic in Q3, 2017 to further mature two large oil prospects, Jade and Topaz. Processing and interpretation is underway and preliminary internal interpretation of the raw seismic data has confirmed the structural validity of the Jade and Topaz prospects and also identified a third significant target named Pearl, which is located north of Topaz. The permit is directly South East of the billion barrel+ Lihua Oil Field operated by CNOOC and two recent discoveries to the permits West and South further enhance the merit of Jade and Topaz. Empyrean is operator and holds 100% of the exploration rights through to commercial discovery where CNOOC have a back-in right to 51%.

Empyrean also has a 10% interest in West Natuna Exploration Limited that holds 100% of the Duyung PSC in offshore Indonesia and is targeting the Mako Shallow Gas Discovery that has an independently verified 2C and 3C gas resource of between 430-650 Bcf recoverable gas. Successful testing operations were recently completed at the Mako South-1 Well with 10.9 million cubic feet of gas flow and better than expected reservoir quality and multi Darcy permeability. The operator is currently analysing data with a view to providing a development plan.

Empyrean also has a joint venture with ASX listed Sacgasco Limited on a suite of projects in the Sacramento Basin, onshore California, USA. The package includes two mature, multi-Tcf gas prospects, 'Dempsey' and 'Alvares', and an Area of Mutual Interest (the "Dempsey Trend AMI") that includes at least three already identified, large Dempsey-style follow up prospects. Dempsey is a large structure mapped with 3D seismic and interpreted by Sacgasco to have the potential to hold a prospective resource of over 1 Tcf of gas in up to seven stacked target reservoirs. The joint venture completed drilling of a 2,970 metre (9,747 feet) combined appraisal and exploration well; Dempsey 1-15, to evaluate this prospect. Wireline logs confirmed numerous zones for production testing and sales of gas have commenced.

Aside from compelling technical merit, the Dempsey-1 well location sits next to existing gas metering and surface infrastructure that is owned by the joint venture. This will allow for any gas discovery to be tested and connected into the local pipeline at relatively low cost and in an accelerated timeframe. This early potential for short-term cash flow in the event of a commercial discovery would be significant for the joint venture and for the state of California where gas demand is high and approximately 90% of consumption is imported from other states. Gas produced in the Sacramento Basin currently prices at a 10-15% premium to Henry Hub Gas Prices. Sales of natural gas from the Dempsey Prospect commenced in July 2018.

Alvares is a large structure mapped with 2D seismic and interpreted by Sacgasco to hold prospective resources of over 2 Tcf estimated potential recoverable gas. A well drilled by American Hunter Exploration Limited in 1982 for deeper oil intersected 5,000ft of gas shows. No valid flow test was conducted due to equipment limitations and the deeper oil target failing. However minor gas flows to surface were recorded even with these limitations. The possibility of using the existing well bore to sidetrack and get a valid flow test, thus reducing costs will be examined.

The Dempsey Trend AMI is an Area of Mutual Interest extending to approximately 250,000 acres and containing the Dempsey prospect (described above) as well as at least three other, Dempsey-style prospects which have been identified on existing seismic.

[www.empyreanenergy.com](http://www.empyreanenergy.com)

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